

ASSESSING THE ROLE AND
IMPACT OF CHINA IN AFRICA

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OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, March 30, 2012

Mr. SMITH of New Jersey. Mr. Speaker, yesterday I chaired a hearing of the Subcommittee on Africa, Global Health, and Human Rights focused on U.S. policy regarding China's evolving role in Africa. China has become America's premier economic competitor in Africa, providing loans and making investments far beyond what the United States is currently prepared to provide.

China has been engaged with African governments since the 1950s and has always portrayed itself as a fellow developing nation that was interested in solidarity with its prospective development partners. In reality, the Chinese government always had plans to gain the support they hoped to create among the newly independent African governments. The stadiums, other buildings and roads constructed by the Chinese were intended to build support for China among the African bloc of developing nations in its competition with the then-Soviet Union. Later, the goal was building support for the People's Republic of China replacing Taiwan as the sole China in the United Nations.

Now they no longer have to compete with the Soviet Union, and they have their seat on the UN Security Council, from where they protect dictators such as Omar al-Bashir and Robert Mugabe. So what is their aim in their Africa policy?

Is China a development partner for Africa? In 2005, the China Development Bank created a \$1 billion Africa Trade and Investment Fund, but the trade and investment initiatives funded cannot take place without the significant involvement of Chinese suppliers. It is difficult to quantify Chinese development aid to Africa because they refuse to disclose how much aid and investment goes to specific countries, although we do know that Chinese investment in Africa is estimated to exceed \$10 billion. Because the loan details are not open to public scrutiny, it is feared that these loans may pose a danger to the debt sustainability of African governments.

Is China an economic competitor to African countries? Many believe that China is engaged in a short-term resource grab, which takes little account of local needs and concerns, whether developmental, environmental or with respect to issues like human rights. Coupled with Chinese manufacturing and trade efficiency, this approach suggests that African development gains are being challenged, if not undermined, by Chinese competitiveness.

China, which has increasingly attempted to lock up much of the supply of strategic minerals from African countries, is now the leading producer of what are known as rare earth elements or rare earth metals, which are used in various technological devices, such as superconductors, electronic polishers, refining catalysts and hybrid car components. As time goes on, these minerals will increase in importance in the 21st century economy. South Africa used to be the world's leading source for these minerals, but its production is dwarfed by what China produces, which now rep-

resents 95% of rare earth supplies. Chinese production often releases toxic wastes into the general water supply, and that would tend to discourage increased South African production absent what could be expensive environmental safeguards.

Is China the new colonizer of Africa? Some would say that label is an exaggeration. However, China exports small businesses and labor to Africa. There are an estimated 800 Chinese corporations doing business in Africa and 750,000 Chinese working or living for extended periods in African countries. When their original assignments are completed, these Chinese workers become entrepreneurs selling subsidized Chinese products to out-compete their African counterparts.

An increasing number of Africans are becoming skeptical of Chinese behavior in their countries. For example, the issue of Chinese business practices became an issue in the 2011 elections in Zambia. Some Zambians felt the Chinese were worse than the British colonialists in their behavior toward workers. Following the election there, incoming President Michael Sata said to Chinese investors: "We welcome your investment, but as we welcome your investment, your investment should benefit Zambians and not Chinese."

One of the most prevalent charges against China's involvement in Africa is that they don't support international conditionality on aid to African countries. Therefore, Chinese involvement is seen as undermining the concept of tied aid that is intended to promote good governance. Chinese officials counter that they prefer not to interfere in the internal affairs of African governments.

While much of the rest of the international community regarded Sudan as having committed genocide, or at least crimes against humanity in its Darfur region, China, a major economic partner with the government in Khartoum, refused at first to join in sanctions against Sudan. China abstained from the vote in September 2004 when the U.N. Security Council passed Resolution 1564 condemning the mass killing of civilians in the Darfur region, even though the measure stopped short of imposing oil sanctions. China even threatened to veto any further move to impose sanctions. It took concerted international pressure prior to the 2008 Beijing Olympics to force China to move closer to the international position on pressing Sudan to end its human rights abuses.

In a 2006 background report entitled, "China's Influence in Africa: Implications for the United States," the Heritage Foundation stated that China has provided weapons that have prolonged African conflicts or entrenched dictatorships. In 2003, several Hong Kong firms were accused of smuggling illegal arms including Chinese-made AK-47s, machine guns and rocket-propelled grenade launchers into Liberia and neighboring Sierra Leone and Côte d'Ivoire, where rebels and mercenaries were involved in civil wars.

In 2004, the report continued, China sold Zimbabwe fighter aircraft and military vehicles for \$200 million despite the U.S. and EU arms embargo against Zimbabwe. China also provided a military-strength radio-jamming device, which the Harare government used to block broadcasts of anti-government reports from independent media outlets during the 2005 parliamentary election campaign.

So what really are China's goals for its African engagement?

CONCURRENT RESOLUTION ON
THE BUDGET FOR FISCAL YEAR
2013

SPEECH OF

HON. JANICE D. SCHAKOWSKY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, March 28, 2012

The House in Committee of the Whole House on the state of the Union had under consideration the bill (H. Con. Res. 112) establishing the budget for the United States Government for fiscal year 2013 and setting forth appropriate budgetary levels for fiscal years 2014 through 2022:

Ms. SCHAKOWSKY. Mr. Chair, next week is Passover, when the youngest child at the Seder table asks four questions, the answers to which explain the meaning of the holiday.

In keeping with the tradition of asking questions to understand the importance of key events, I'd like to suggest four questions to ask Republicans so that they can explain the reasoning behind their budget resolution.

Why does your budget resolution protect and indeed increase the wealth of the already-wealthy at the expense of everyone else? The Bible says, "He who oppresses the poor to increase his wealth and he who gives gifts to the rich—both come to poverty." (Proverbs 22:16). Income disparity is at near-historic levels in our Nation. Why then, does the Republican budget provide an average additional tax break of \$150,000 for millionaires and refuse to eliminate subsidies to highly profitable Big Oil companies, while asking seniors, children, the poor and middle-class families to sacrifice more and more?

Why does your budget resolution take away the Medicare guarantee? The Bible tells us, "You shall give due honor and respect to the elderly." (Leviticus 19:32). The average senior lives on \$19,000, one in three retirees depends on Social Security for 90 percent or more of their income, and 1 in 3 seniors will need help paying for long-term care. Why, then, does the Republican budget double already high out-of-pocket spending for seniors, threaten Social Security, and cut Medicaid by \$810 billion over the next decade?

Why does your budget resolution increase defense spending while cutting investments in our children and families? The Bible tells us, "A just balance and scales are the Lord's." (Proverbs 16:11). The U.S. defense budget is higher than the next 17 nations in the world combined and has increased in real terms for each of the past 13 years. Why, then, does the Republican budget renege on a balanced approach to deficit reduction—increasing defense spending and asking education, job training and creation, medical research and other domestic programs to bear the entire burden?

Why does your budget resolution take away food from the poor? The Bible tells us, "If anyone has material possessions and sees his brother in need but has no pity on him, how can the love of God be in him? Dear children, let us not love with words or tongue but with actions and in truth." (1 John 3:17–18). Nearly 50 million Americans lack adequate food and 22 percent of America's children live in poverty. Why, then, does the Republican budget cut and cap the food assistance needed so that children, families and seniors can't get enough to eat?